

Message Text

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ACTION EB-07

INFO OCT-01 IO-10 ISO-00 STR-04 L-03 FRB-01 OMB-01 TAR-01

SP-02 AGR-10 AID-05 CIAE-00 COME-00 INR-07 LAB-04

NSAE-00 OIC-02 SIL-01 TRSE-00 CIEP-02 CEA-01 PA-02

PRS-01 USIA-15 AF-06 ARA-10 EA-09 EUR-12 NEA-10 /127 W

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E.O. 11652: NA

TAGS: UNCTAD, AFIN

SUBJ: UNCTAD-CIFT SEVENTH SESSION EXPORT CREDITS

REF: GENEVA 8350 (NOTAL)

1. IN PLENARY DISCUSSION, LDCS SUPPORTED DRAFT RESOLUTION CARRIED OVER FROM PREVIOUS MEETINGS AND CALLED FOR RECOMMENDATION ASKING WORLD BANK AND REGIONAL DEVELOPMENT INSTITUTIONS TO ESTABLISH OR EXPAND FACILITIES FOR EXPORT CREDIT REFINANCING. THEY NOTED SOME REGIONAL INSTITUTIONS ALREADY DOING SO SUCCESSFULLY. THEY ALSO REFERRED TO THE REPLIES OF THE FINANCING INSTITUTIONS TO AN UNCTAD QUERY, INCLUDING ONE FROM THE IBRD REPORTING IT WAS ACTIVELY CONSIDERING THE MATTER. U.S. AND NUMEROUS OTHER DCS EXPRESSED OPPOSITION TO SUCH USE OF FUNDS PARTICULARLY ON GROUNDS IT WOULD DIVERT FUNDS FROM OTHER HIGHER PRIORITY PURPOSES. (U.S. DEVOTED FULL PARAGRAPH OF AGENDA ITEM III STATEMENT TO TOPIC TO MAKE US POSITION COMPLETELY CLEAR.)

2. SUBSEQUENTLY TEXT CONTAINED REFTEL WAS WORKED OUT BY DRAFTIG GROUP. US AND OTHER GROUP B
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COUNTRIES NEGOTIATED FURTHER CHANGES INCLUDING IMPROVEMENTS

IN PREAMBULAR PARAGRAPHS.

3. FINAL DRAFT BELOW, CALLS FOR FURTHER TECHNICAL STUDY OF THE PROPOSAL, AND FOR THE UNCTAD SECRETARIAT TO SUBMIT CONCLUSIONS TO 16TH TDB WHICH WOULD THEN HAVE TO CONSIDER POLICY IMPLICATIONS OF QUESTION. ALL GROUP B MEMBERS WERE SATISFIED WITH THIS TEXT, AND IT WAS APPROVED BY THE CONTACT GROUP NOVEMBER 6.

4. WHEN TEXT ADOPTED BY CONSENSUS AT FINAL MEETING NOV 7, US (ON BASIS TELEPHONIC INSTRUCTIONS FROM EB/CLAY BLACK, MADE FOLLOWING STATEMENT: QUOTE: MR. CHAIRMAN, IN JOINING IN THE CONSENSUS ON THIS RESOLUTION, I AM INSTRUCTED TO MAKE CLEAR THAT WE HAVE IN NO WAY CHANGED THE POSITION WE EXPRESSED IN THE PLENARY DEBATE OF GENERAL OPPOSITION TO THE ESTABLISHMENT OR EXPANSION OF PROGRAMMES TO REFINANCE EXPORTS AS WE NOTED IN THE PLENARY DEBATE. THE KEY REASON IS THAT WE BELIEVE SUCH SCHEMES WOULD DIVERT FUNDS FROM HIGHER PRIORITY DEVELOPMENT REQUIREMENTS FOR THE COUNTRIES MOST IN NEED OF ASSISTANCE. UNQUOTE. NO OTHER DELEGATES SPOKE.

5. TEXT OF RESOLUTION AS APPROVED IS AS FOLLOWS: QUOTE THE COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE NOTING WITH APPRECIATION THE REPORT OF THE GROUP OF EXPERTS ON EXPORT CREDITS AS A MEANS OF PROMOTING EXPORTS FROM DEVELOPING COUNTRIES (TD/B/552 AND CORR. 1), BEARING IN MIND THE EFFORTS MADE BY DEVELOPING COUNTRIES TO DIVERSIFY AND EXPAND THEIR EXPORTS, CONSIDERING THAT THE PROMOTION OF SOME EXPORTS OF DEVELOPING COUNTRIES REQUIRES THOSE COUNTRIES TO BE IN A POSITION TO OFFER CREDIT ON TERMS COMPARABLE TO THOSE BEING OFFERED BY COMPETITORS IN DEVELOPED COUNTRIES, CONSIDERING FURTHER THAT GROSS DISBURSEMENTS OF CREDITS ARE LIKELY TO INCREASE RAPIDLY AND SUBSTANTIALLY, RECOGNIZING THAT THE GRANTING OF EXPORT CREDITS INVOLVES A POSTPONEMENT OF FOREIGN EXCHANGE RECEIPTS THAT DEVELOPING COUNTRIES CAN ILL AFFORD TO BEAR, RECOGNIZING FURTHER THAT EXPORTS OF MANUFACTURERS FREQUENTLY REQUIRE THE GRANTING OF EXPORT CREDITS WITH RELATIVELY UNCLASSIFIED

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LONG MATURITIES, CONSIDERING THAT THE RE-FINANCING OF EXPORT CREDITS IN INTERNATIONAL FINANCIAL MARKETS ON FIAF AND REASONABLE TERMS WOULD ASSIST THE DEVELOPING COUNTRIES IN THEIR EFFORTS TO PROMOTE EXPORTS, TAKING NOTE OF THE REPLIES RECEIVED TO DATE FROM THE WORLD BANK AND REGIONAL DEVELOPMENT INSTITUTIONS, (1.) CONSIDERS THAT INTERNATIONAL MEASURES TO ASSIST

DEVELOPING COUNTRIES WITH THESE PROBLEMS CONSTITUTE AN IMPORTANT COMPONENT OF INTERNATIONAL FINANCIAL CO-OPERATION;

(2) INVITES THE WORLD BANK AND REGIONAL DEVELOPMENT INSTITUTIONS URGENTLY TO PURSUE CONSIDERATION OF THE ESTABLISHMENT OR EXPANSION OF FACILITIES WHICH WULD PROVIDE EXPORT CREDIT RE-FINACING FOR DEVELOPING COUNTRIES;

(3.) FURTHER INVITES THE ABOVE INSTITUTIONS TO INFORM THE BOARD AT ITS SEVENTH SPECIAL SESSION CONCERNING DEVELOPMENTS IN THIS MATTER;

(4.) REQUESTS THE SECRETARY-GENERAL OF UNCATD TO PREPARE, IN CONSULTATION WITH MULTILATERAL FINANCIAL INSITUTIONS AND WITH THE ASSISTANCE OF EXPERTS, AS HE DEEMS APPROPRIATE, A TECHNICAL STUDY OF THE PROPOSAL TO ESTABLISH A MULTILATERAL EXPORT CREDIT GUARANTEE FACILITY, AS CONSIDERED BY THE EXPERT GROUP, AND TO SUBMIT HIS CONSLUSIONS TO THE SIXTEENTH SESSION OF THE TRADE AND DEVELOPMENT BOARD, WHICH WILL CONSIDER THE POLICY IMPLICATIONS OF SUCH A SCHEME;

(5.) FURTHER REQUESTS THE SECRETARY-GENERAL OF UNCTAD TO CONTINUE AND EXPAND THE TECHNICAL ASSISTANCE OF UNCTAD, IN CONSULTATION WITH OTHER ORGANIZATIONS DIRECTLY CONCERNED, TO DEVELOPING COUNTRIES WITH REGARD TO THEIR EFFORTS TO ESTABLISH AND STRENGTHEN NATIONAL, REGIONAL AND INTER-REGIONAL EXPORT CREDIT FINANCING AND INSURANCE SCHEMES. UNQUOTE. DALE

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